

Allowable Ex Parte Briefing Before the Public Service Commission

February 16, 2022

- Commission Order 2022-38

“Commission request[s] an Allowable Ex Parte Briefing from South Carolina Public Service Authority (Santee Cooper) regarding an overview of the Company’s 2020 Comprehensive Integrated Resource Plan, plans for its Integrated Resource Plan Update and to Present a Proposed Procedural Schedule for its Competitive Procurement Renewable Energy Filing/Petition...”
- To be responsive to the Commission’s request, Santee Cooper has organized its presentation addressing:
 - Overview of Santee Cooper’s 2020 Comprehensive Integrated Resource Plan
 - Plans for Integrated Resource Plan Updates
 - Present a proposed procedural schedule for a competitive procurement of renewable energy filing

Overview of Santee Cooper's 2020 Comprehensive Integrated Resource Plan

2020 Integrated Resource Plan



- In accordance with Act 62 of 2019 (Act 62)¹, Santee Cooper submitted its triennial Integrated Resource Plan (IRP) to the State Energy Office on December 23, 2020
- The 2020 IRP addressed the requirements of Act 62 (same as requirements placed on the IOUs in South Carolina)
- The 2020 IRP did not require Commission approval
- A copy of the 2020 IRP can be viewed on the Santee Cooper and the State Energy Office websites^{2,3}

1. https://www.scstatehouse.gov/sess123_2019-2020/bills/3659.htm

2. https://www.santeecooper.com/About/Increasing-Value/ORS-Reports/_pdfs/Dec-23-Signed-Filed-IRP.pdf

3. [https://energy.sc.gov/files/view/Santee Cooper Dec 23 Signed Filed IRP.pdf](https://energy.sc.gov/files/view/Santee%20Cooper%20Dec%2023%20Signed%20Filed%20IRP.pdf)

Act 62 IRP Requirements

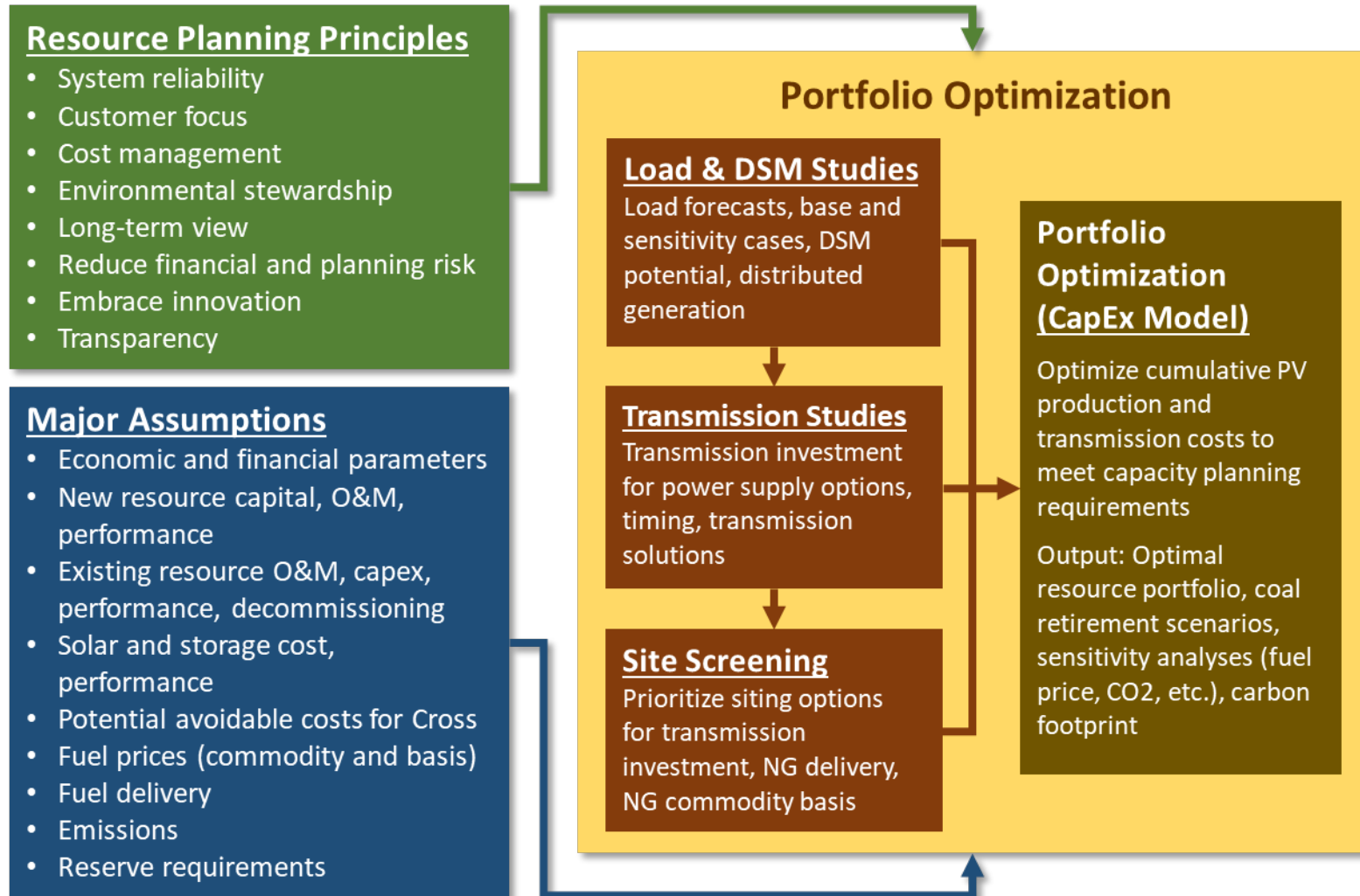
- The Santee Cooper 2020 IRP addressed the following topics required by Act 62:
 - Long-term forecast of loads, including reasonable scenarios
 - Documentation of proposed traditional and renewable generating resources
 - Summary of transmission system investments
 - Evaluation of multiple resource portfolios for cost and reliability, including the following portfolios and sensitivity analyses
 - Coal retirements
 - Renewable resources
 - Load growth
 - Fuel prices
 - Demand-side management
 - Environmental regulations
 - Information on current resources and plans for future capacity needs, including initiatives for peak demand reductions

Santee Cooper Resource Planning Principles



RELIABILITY	Operate and plan the Santee Cooper system to ensure that all retail and wholesale customers are provided reliable electric power — reliability is the number one product of any electric utility
CUSTOMER FOCUS	Provide safe, reliable, and affordable power, and provide customers with new opportunities as markets change
COST MANAGEMENT	Develop resource plans that keep prices low through effective cost management over the long-term
ENVIRONMENTAL STEWARDSHIP	Responsibly manage the environmental impact of Santee Cooper operations
LONG-TERM VIEW	Develop a long-term resource strategy to ensure resource diversity, flexibility and optionality over a wide range of possible future conditions
REDUCED FINANCIAL & PLANNING RISK	Develop resource plans that readily adapt as future conditions change and, when possible, add resources in increments that closely match resources to needs
EMBRACE INNOVATION	Identify potential developing technologies and incorporate in resource plans when reasonable and cost-effective
TRANSPARENCY	Engage customers, stakeholders, Board Members, and elected officials in a transparent resource planning process that is responsive to questions and input

2020 IRP Process

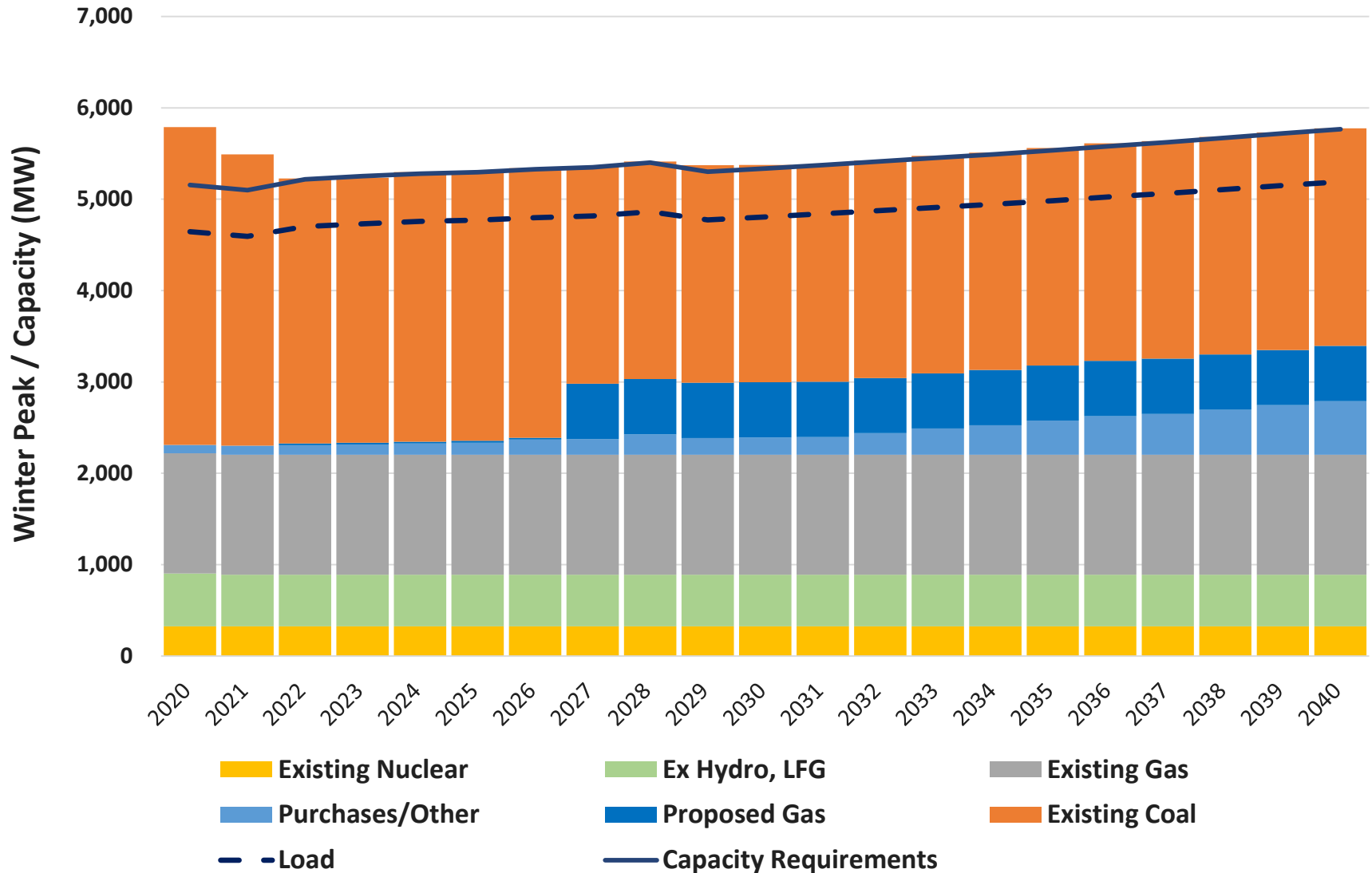


2020 IRP: Preferred Resource Plan Summary



Strategic Resource Direction	2020 Resource Plan
Retire Coal	<ul style="list-style-type: none"> ▪ Phased retirement of Winyah Generating Station by 2027 (1,150 MW)
Increase Solar	<ul style="list-style-type: none"> ▪ Phased solar PV implementation: 500 MW by 2023; 1,000 MW by 2026; 1,500 MW by 2032
Incorporate Advanced Technology	<ul style="list-style-type: none"> ▪ Phased battery energy storage implementation starting in mid 2020s (200 MW cumulative) ▪ Phased implementation provides benefits of projected improvement in technology and cost decline
Increase Natural Gas Resources	<ul style="list-style-type: none"> ▪ New natural gas CC/CT resource (550 MW) targeted for 2027 ▪ Long-term purchases sized to meet demand (2031-2040)
Encourage Conservation & Demand Response	<ul style="list-style-type: none"> ▪ Incorporate existing Santee Cooper and Central DSM/conservation goals ▪ Additional demand response implementation

A Lean Future Power Supply

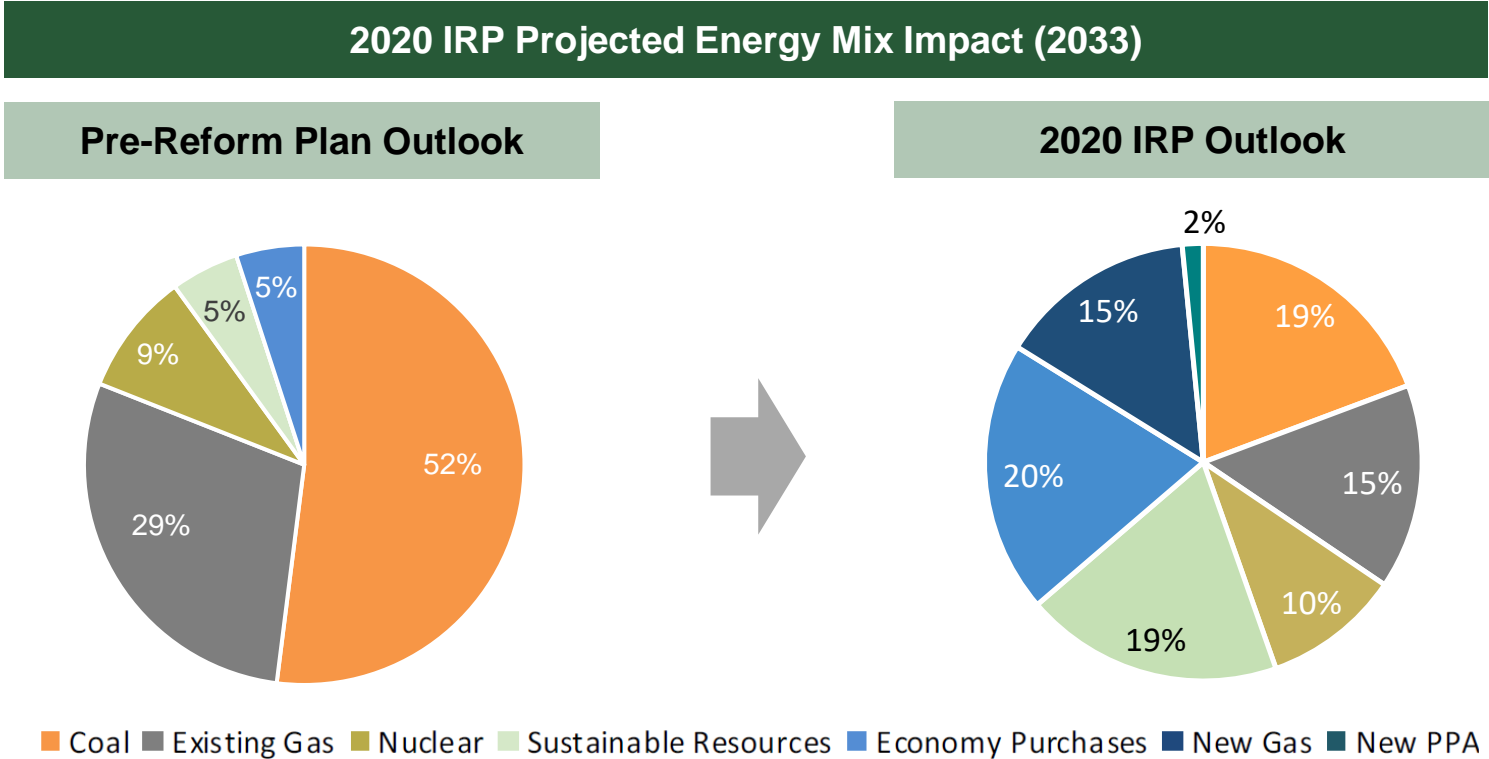


2020 IRP

Energy and Technology Diversity



2020 IRP incorporates new technology and improves fuel diversity



➤ The 2020 IRP's Preferred Resource Plan results in over a 50% reduction of carbon dioxide emissions since 2005

IRP 2020

Recent Actions

Resource Planning is a continuous process and provides a framework to execute near-term resource activities and maintain flexibility to adapt long-term plans

Winyah Retirement

- Winyah Unit 4 idled as of the winter of 2020/2021
- Santee Cooper Board approved decision to retire all units by December 31, 2028

Increased Solar

- 425 MW of solar power acquired by Central and Santee Cooper, to be online by the end of 2023
- Fixed-price arrangements: pay only for energy produced, no added debt

2021 Diligence Related to Late 2020s Resource Need

- Central and Santee Cooper jointly analyzed resource needs in late 2020s following Winyah coal station's retirement

- **Actions or commitments related to future resources, including the late 2020s Resource, will be guided by results of the 2023 IRP and stakeholder input**

Plans for Integrated Resource Plan Updates

Future Santee Cooper IRP Filings



- S.C. Code Ann. § 58-37-40, as revised by Act 90 of 2021 (Act 90)⁴ requires Santee Cooper to submit its next triennial IRP to the Commission subject to the Commission's review and approval
- Once Santee Cooper's next triennial IRP is approved by the Commission, Santee Cooper will be required to submit annual updates to that approved IRP with the Commission
- In its January 11, 2022 letter to the Commission⁵, Santee Cooper recommended that May 15, 2023, be set as the date of the filing of Santee Cooper's 2023 triennial IRP
 - The recommended filing date places Santee Cooper's triennial IRP filing roughly midway between the anticipated 2023 IRP filings of Dominion Energy South Carolina and Duke Energy Carolinas/Duke Energy Progress, allowing the Office of Regulatory Staff and the Commission to best utilize resources to conduct Commission proceedings
 - The recommended filing date affords the time needed for stakeholder input and fulfillment of all requirements entailed in the IRP process. Under this schedule, Santee Cooper's 2023 triennial IRP would be filed approximately 29 months since the date of Santee Cooper's last triennial IRP on December 23, 2020

⁴ https://www.scstatehouse.gov/sess124_2021-2022/bills/3194.htm

⁵ <https://dms.psc.sc.gov/Attachments/Matter/a4974478-d658-419a-b4c1-ece0a74c325f>

Santee Cooper IRP Stakeholder Process



- Beginning with its 2023 IRP, Santee Cooper will initiate a public stakeholder process in compliance with S.C. Code Ann. § 58-37-40(A)
- The stakeholder process for the 2023 IRP will involve a minimum of five, facilitated interactive stakeholder meetings beginning on March 1, 2022, with public notice provided approximately 30 days prior to each meeting
- Stakeholder meetings will target a large, robust, representative, and diverse group of stakeholders, including retail and wholesale customers, electric cooperatives (including Central), and organizations representing environmental, economic justice, municipalities, and industries
- Stakeholder collaboration will include opportunities for input regarding sensitivities, scenarios and resource portfolios to be evaluated by Santee Cooper for the 2023 IRP; stakeholders will engage in post-meeting surveys to recommend changes to content, pace, and depth of conversation
- Correspondence and reports summarizing progress on the IRP and input of stakeholders will be made available through Santee Cooper's website on a page dedicated to the IRP: www.santeecooper.com/IRP

Proposed Procedural Schedule for a Competitive Procurement of Renewable Energy Filing

Schedule for Filing a Program for Competitive Procurement of Renewable Energy



- Santee Cooper recognizes its obligation to file for Commission approval a program for the competitive procurement of renewable energy in accordance with S.C. Code Ann. § Section 58-31-227, as directed by Act 90
- Santee Cooper also recognizes that evaluations prepared in support of its next triennial IRP may have a material impact on its future plans for all resources including renewables
- As such, Santee Cooper intends to develop a schedule to file for approval of a competitive procurement program once plans have been identified through additional planning
- Based on our current anticipation for future need for renewable resources and the time-frame that may be needed by the Commission to review and approve a filing for the competitive procurement of renewable energy, Santee Cooper tentatively anticipates initiating a filing no sooner than September 2022

Requirements for the Competitive Procurement Program

- Santee Cooper recognizes that a program for the competitive procurement of renewable energy must address the following summarized requirements:
 - Solicitation process must be open to independent market participants that meet minimum eligibility requirements
 - Santee Cooper must issue a public notification at least ninety days prior to the release of a solicitation
 - Eligible renewable energy facilities will be those that have a valid interconnection request on file and that use renewable energy resources identified by the S.C. Code Ann. § 58-39-120
 - A solicitation must make available a pro forma contract, define a bid evaluation methodology that ensures equitable treatment of all bids, and define interconnection requirements
 - Winning bids will be based upon the published evaluation methodology
 - Santee Cooper will issue a public report summarizing the results of the competitive solicitation

Santee Cooper 2019/2020 Competitive Procurement of Solar Power



- Santee Cooper's RFI/RFP process conducted in 2019/2020 utilized reasonable and industry-accepted practices that are consistent with Act 90 provisions in material respects
- The RFP was conducted in accordance with terms approved by the South Carolina General Assembly governing Santee Cooper at that time

